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Glanbia PLC
21 August 2013

Glanbia

2013
Half year results

Global performance nutrition and ingredients group

Wednesday, 21 August 2013

11% growth in adjusted earnings per share in the first half

Continued good growth in Global Performance Nutrition and Global Ingredients

Reiterating positive 2013 full year outlook

21 August 2013 - Glanbia plc ("Glanbia", the "Group", the "plc"), the global performance nutrition and ingredients group, announces its results for the six months ended 29 June 2013.

- Good first half operating and financial performance delivered 13% revenue growth, split 8% volume growth and 5% price growth. Adjusted EPS grew 11% growth in on a constant currency basis;

- Global Performance Nutrition continued to outpace market growth rates delivering a 14% increase in revenue, 20% growth in EBITA and a 50 basis points improvement in EBITA margin to 10.5%;

- Global Ingredients also delivered a good performance. Revenue increased 17% and EBITA grew 8%. EBITA margin declined 90 basis points to 10.7% mainly due to lower margins, as expected, in the Ingredient Technologies business unit;

- Dairy Ireland's performance was impacted by a very difficult first half in Consumer Products and EBITA and EBITA margin were lower than prior year;

- The Group's two major strategic Joint Ventures & Associates, Glanbia Ingredients Ireland and Southwest Cheese in the USA had a steady first half overall;

- The full year outlook for the Group remains positive with forecast growth in adjusted EPS of between 8% and 10%, on a constant currency basis.

2013 half year results pre exceptional	Constant Currency[1]		Reported Currency	
€m	HY 2013	Change[2]	HY 2013	Change[2]
Wholly owned businesses				
Revenue	1,246.8	+13.6%	1,236.3	+12.6%
EBITA	103.6	+5.9%	102.3	+4.6%
EBITA margin	8.3%	- 60 bps	8.3%	- 60 bps
Joint Ventures and Associates[3]				
Revenue	431.1	+11.5%	426.8	+10.3%
EBITA	20.3	+9.1%	19.9	+7.0%
EBITA margin	4.7%	- 10 bps	4.7%	- 10 bps
Total Group				
Revenue	1,677.9	+13.0%	1,663.1	+12.0%
EBITA	123.9	+6.4%	122.2	+5.0%
EBITA margin	7.4%	- 40 bps	7.3%	- 50 bps

Adjusted earnings per share	30.69c	+11.3%	30.39c	+10.2%

Commenting today John Moloney, Group Managing Director, said:

"The Group's first half performance was driven by Global Performance Nutrition and Global Ingredients. These two business segments now represent over 70% of Group EBITA and are our core platforms for future growth. We expect little change in the external operating environment in the second half and with clear challenges remaining in Dairy Ireland we are maintaining our 2013 full year guidance of adjusted earnings per share growth of between 8% and 10%, on a constant currency basis. Our recently announced management changes put in place an excellent team to continue to drive the business forward and to evolve the long term strategy that will deliver the next phase of growth. Overall, Glanbia is in a strong position to capitalise on its unique portfolio of global businesses, development opportunities and strong balance sheet."

[1]Constant currency is based on translating HY 2013 results at the HY 2012 average market exchange rate (€1 = $1.297). The reported average exchange rate for HY 2013 was €1 = $1.313.

[2]2012 results have been restated to reflect the adoption of the revised IAS 19 pension accounting standard (see Note 3 for detail).

[3]Glanbia disposed of a 60% interest in Glanbia Ingredients Ireland Limited ("GIIL") in November 2012. GIIL, previously part of the Dairy Ireland segment, is now a 40% associate. 2012 half year results have been restated to show GIIL on the same basis.

2013 half year report

For the six months ended 29 June 2013

This half year report is on the basis of the new organisational structure of the Group, announced in May 2013. This new structure reflects the fact that Glanbia has built two very significant platforms in nutritional products and solutions. The first platform is business-to-consumer high quality performance nutrition with the largest global sports nutrition brand portfolio. This business segment is called Global Performance Nutrition. The second platform spans large-scale cheese manufacturing and value-added nutritional ingredient solutions. This business segment is called Global Ingredients and incorporates our US Cheese, Ingredient Technologies and Customised Premix Solutions businesses. The Group's two other business segments are Dairy Ireland, comprising Agribusiness and Consumer Products, and Joint Ventures & Associates which encompasses the Group's strategic cheese and dairy ingredients joint ventures.

Management changes

In May 2013, Glanbia announced that John Moloney, Group Managing Director since 2001, is to retire by the end of 2013. Siobhán Talbot, Group Finance Director, has been appointed as his successor and as Group Managing Director Designate to facilitate a seamless transition. Hugh McGuire has been appointed to the Board as an Executive Director with responsibility for Global Performance Nutrition. Brian Phelan has been appointed Chief Executive Officer of Global Ingredients, having been appointed to the Board on 1 January 2013.

2013 Outlook

The outlook for the business is positive despite some challenges for the remainder of the year in the Dairy Ireland business segment. The Board is reiterating the Group's 2013 guidance of 8% to 10% growth in adjusted earnings per share on a constant currency basis. This reflects the business' expectation of positive performances in Global Performance Nutrition and Global Ingredients, which will be partially offset by a year-on-year decline in Dairy Ireland. Joint Ventures & Associates are expected to be broadly in line with the prior year.

Operations review

Segmental analysis

Commentary on a constant currency basis throughout

	Constant Currency			Reported Currency		
	HY 2013			HY 2012[1]		
€m	Revenue	EBITA	EBITA %	Revenue	EBITA	EBITA%
Global Performance Nutrition	324.4	34.0	10.5%	285.3	28.4	10.0%
Global Ingredients	539.2	57.5	10.7%	461.8	53.4	11.6%
Dairy Ireland	383.2	12.1	3.2%	350.9	16.0	4.6%
Total Wholly owned businesses	1,246.8	103.6	8.3%	1,098.0	97.8	8.9%
Joint Ventures & Associates[2]	431.1	20.3	4.7%	386.8	18.6	4.8%
Total Group	1,677.9	123.9	7.4%	1,484.8	116.4	7.8%

[1] 2012 EBITA has been restated to reflect the adoption of the revised IAS 19 pension accounting standard (see Note 3 for full detail).

[2] Glanbia disposed of a 60% interest in Glanbia Ingredients Ireland Limited ("GIIL") in November 2012. GIIL is now a 40% associate of the Group. 2012 half year results have been restated to show GIIL on the same basis.

Glanbia delivered a good financial and operating performance in the first six months of the year driven by growth in Global Performance Nutrition and Global Ingredients. Total Group revenue including the Group's share of Joint Ventures & Associates grew by 13.0% to €1,677.9 million (HY 2012: €1,484.8 million). This was split 8% volume growth and 5% price growth. Total Group EBITA increased by 6.4% to €123.9 million (HY 2012: €116.4 million). Total Group EBITA margin declined by 40 basis points to 7.4% (HY 2012: 7.8%), as margin growth within Global Performance Nutrition was more than offset by a decline in margins in the other business segments.

Global Performance Nutrition

	Constant Currency			Reported Currency	
€m	HY 2013	HY 2012	Change	HY 2013	Change
Revenue	324.4	285.3	+13.7%	320.2	+12.2%
EBITA	34.0	28.4	+19.7%	33.6	+18.3%

EBITA margin	10.5%	10.0%	+ 50 bps	10.5%	+ 50 bps

Global Performance Nutrition delivered strong results for the first six months of the year, building on a good performance for the full year 2012. Revenues increased 13.7% driven primarily by volumes. Branded revenues grew in excess of 20% in both the USA and international markets.

Consumer demand in the USA, the most developed sports nutrition market, continued to grow in the first six months of 2013. While competition in the sector remains strong, Global Performance Nutrition again outperformed the market. This performance was achieved by the continued popularity of Global Performance Nutrition's sports nutrition brands combined with ongoing product innovation focused on taste and trends. Key new products launched in the first half included a ready-to-drink version of BSN's market leading pre-workout product, N.O.-Xplode and Optimum Nutrition's premium slow-release casein whey product, Platinum Tri-Celle Casein.

EBITA increased by 19.7% reflecting the increase in revenues combined with a 50 basis points increase in EBITA margins. Expansion in EBITA margin in the first half of 2013 reflected a favourable product and sales mix effect partially offset by higher overheads associated with strategic investment in future growth. While whey market prices have been on a downward trend over recent months, Global Performance Nutrition's whey input costs in the first half were ahead of the prior year reflecting the timing of the impact of market price movements on the cost of goods sold.

The investment to drive growth continues and includes building in-market capabilities in key geographies to underpin the delivery of our international expansion plans. We remain on target to have a direct sales presence in 17 countries by the end of the year. There is also a significant strategic capital investment programme underway in Global Performance Nutrition including:

- The introduction of SAP at a cost of $12 million, implementation of which began at start of 2013 and is due for completion in the coming months; and

- A $45 million capacity expansion in Chicago, USA due for completion in 2014 combined with a stg£3 million investment in the Middlesbrough, UK plant more than doubling capacity by the third quarter of 2013.

The outlook for Global Performance Nutrition remains positive. Key trends of branded revenue growth are expected to be sustained for the remainder of the year, supported by major ongoing investment in the business. Overall results for Global Performance Nutrition for 2013 are expected to be well ahead of 2012.

Global Ingredients

	Constant Currency			Reported Currency	
€m	HY 2013	HY 2012	Change	HY 2013	Change
Revenue	539.2	461.8	+16.8%	532.9	+15.4%
EBITA	57.5	53.4	+7.7%	56.6	+6.0%
EBITA margin	10.7%	11.6%	- 90 bps	10.6%	- 100 bps

Global Ingredients delivered a good performance in the first half of 2013. Revenues increased 16.8% to €539.2 million (HY 2012: €461.8 million). This growth in revenue is attributable to underlying organic volume growth of 7%, higher pricing and an enhanced product mix of 6% and the impact of the Aseptic Solutions acquisition of 4%. EBITA increased 7.7% in the period reflecting a good performance across all businesses and the contribution of Aseptic Solutions, acquired in July 2012. While EBITA margin was a very robust 10.7% in the first half of the year, margin declined 90 basis points compared with the first half of 2012. This was mainly as a result of lower market prices for lactose and whey in Ingredient Technologies. The full year outlook for Global Ingredients is positive with year-on-year revenue and EBITA growth expected to be in line with first half trends.

US Cheese

Average US cheese market prices for the period were ahead of the prior year. Market demand for American style cheese remains positive with both the retail and food service segments performing satisfactorily. Additional volumes, driven by good milk supply in Idaho and the acquisition of the Blackfoot, Idaho plant in March 2013, combined with higher market prices resulted in an increase in revenues versus the prior year. The Cheese Innovation Centre based in Twin Falls, Idaho, an investment of $11 million, opened this month. This facility, together with the more flexible production capabilities of the Blackfoot plant, significantly strengthens US Cheese's innovation and new product development capabilities.

Ingredient Technologies

Revenues in Ingredient Technologies in the first six months of the year were ahead of the prior year reflecting the acquisition of Aseptic Solutions ("AS") in July 2012 and higher sales volumes of WPC34 and lactose resulting from good production throughputs at the Idaho whey plants. The addition of further market capacity did result in some downward pressure on whey market prices over the course of the first six months of 2013.

Ingredient Technologies' strategic focus on science-led functional and nutritional solutions led to another prestigious IFT Innovation Award, the second year in a row to win this award. This year's innovation winner was Optisol 3000, which is used in bakery and other applications and acts a substitute for whole eggs, a product with a volatile pricing history. Optisol 3000, developed from a combination of whey protein and flax, highlights the complementary nature of these two ingredient categories. The flax and other speciality grain capabilities of Ingredient Technologies will be considerably enhanced with the commissioning, in October 2013, of the new $29 million value-added grain ingredients plant in South Dakota, USA.

Customised Premix Solutions

Revenues for Customised Premix Solutions for the first six months of the year were ahead of the prior year reflecting a combination of volume and price growth. While the level of volume growth has moderated compared with 2012, momentum has improved in recent months and indications are that this positive trend will continue for the remainder of the year. Market conditions and growth prospects are favourable across key end product segments and markets. Asian demand, in particular, remains strong and Customised Premix Solutions continues to expand its sales presence in the region to provide for this growth opportunity.

Dairy Ireland

	Constant Currency			Reported Currency	
€m	HY 2013	HY 2012[1]	Change	HY 2013	Change
Revenue	383.2	350.9	+9.2%	383.2	+9.2%
EBITA	12.1	16.0	-24.4%	12.1	-24.4%
EBITA margin	3.2%	4.6%	- 140 bps	3.2%	- 140 bps

[1] The half year 2012 figures are restated to exclude Glanbia Ingredients Ireland. As a 40% associate, the Group's share of GIIL is included in Joint Ventures & Associates.

In the first half of 2013, Dairy Ireland revenue increased 9.2% to €383.2 million (HY 2012: €350.9 million). This revenue growth reflects 8% volume growth and 4% pricing growth offset by the 3% negative impact of the Yoplait franchise disposal completed in the first half of 2012. EBITA decreased by 24.4% to €12.1 million (HY 2012: €16.0 million) and EBITA margin declined by 140 basis points. These declines were driven by Consumer Products reflecting lower volumes and higher milk input costs for the business. The outlook for the Dairy Ireland segment for the remainder of the year remains challenging as a result of the operating environment for Consumer Products and full year EBITA and EBITA margin are expected to be well behind 2012.

Consumer Products

Consumer Product revenues declined in the period driven primarily by the sale of the Yoplait franchise. The business continues to be impacted by the challenging Irish retail environment. Consumers are heavily focused on price while retailers are focused on cost. As a result, promotional volumes continue to rise and private label products continue to gain market share at the expense of branded products. Furthermore, the increase in global dairy market prices over the first six months of the year resulted in a significant increase in input costs for the business, with only partial price recovery.

Agribusiness

Agribusiness revenues were ahead of the same period last year as a result of higher pricing and increased demand for fertilizer and feed. One of the key drivers of this higher demand was the unseasonably cold weather which prevailed for much of the first half of the year. Construction of the new oatmeal milling facility, which will cater for the recently signed supply contract with Sturm Foods in the USA, is running on time and on budget with commissioning due by the end of 2013.

Joint Ventures & Associates (Glanbia Share)

	Constant Currency			Reported Currency	
€m	HY 2013	HY 2012[1]	Change	HY 2013	Change
Revenue	431.1	386.8	+11.5%	426.8	+10.3%
EBITA	20.3	18.6	+9.1%	19.9	+7.0%
EBITA margin	4.7%	4.8%	- 10 bps	4.7%	- 10 bps

[1] Glanbia disposed of a 60% interest in Glanbia Ingredients Ireland Limited ("GIIL") in November 2012. GIIL is now a 40% associate of the Group. 2012 half year results have been restated to show GIIL on the same basis.

Revenue for the first six months of the year from Joint Ventures & Associates increased 11.5% to €431.1 million (HY 2012: €386.8 million). This growth was split 6% volume and 6% price. Glanbia Ingredients Ireland, Southwest Cheese and Glanbia Cheese all achieved positive revenue growth due to higher global dairy market prices as poor weather conditions in a number of the key exporting regions resulted in reduced supply and, consequently, higher dairy prices. This was partially offset by a decline in revenues in Nutricima. EBITA increased by 9.1% to €20.3 million (HY 2012: €18.6 million) and EBITA margins were down slightly reflecting higher input costs across each of the four business units.

Construction of Glanbia Ingredients Ireland's new €150 million dairy processing facility is progressing well while a decision on the potential development of lactose production capacity in Southwest Cheese is expected to be made by the end of the year.

The expectation is for a more challenging environment for the remainder of the year resulting in a broadly similar performance for Joint Ventures & Associates for the full year when compared with 2012.

Finance review

Results summary pre exceptional	Constant Currency	Reported Currency

€m	HY 2013	HY 2012[1]	Change	HY 2013	Change	FY 2012[1]
Revenue	**1,246.8**	**1,098.0**	**13.6%**	**1,236.3**	**12.6%**	**2,211.8**
EBITA	**103.6**	**97.8**	**5.9%**	**102.3**	**4.6%**	**176.7**
EBITA margin	*8.3%*	*8.9%*	*- 60bps*	*8.3%*	*- 60bps*	*8.0%*
-Amortisation of intangible assets	(10.1)	(9.5)		(10.0)		(19.9)
-Net finance costs	(11.2)	(11.3)		(10.8)		(20.4)
-Share of results of JV&As	13.7	6.4		13.6		12.1
-Income tax	(14.0)	(15.3)		(13.9)		(25.6)
Profit from continuing operations	**82.0**	**68.1**	**20.4%**	**81.2**	**19.2%**	**122.9**
Profit from discontinued operations	-	12.4	-	-	-	27.1
Profit	**82.0**	**80.5**	**1.9%**	**81.2**	**0.9%**	**150.0**

[1] 2012 results have been restated to reflect the adoption of the revised IAS 19 pension accounting standard (see Note 3 for full detail).

Income statement

Revenue increased 13.6% to €1.2 billion (HY 2012: €1.1 billion). EBITA grew by 5.9% to €103.6 million (HY 2012: €97.8 million). EBITA margin decreased by 60 basis points to 8.3% (HY 2012: 8.9%).

The Group's share of results of Joint Ventures & Associates increased by €7.3 million to €13.7 million (HY 2012: €6.4 million). This increase reflects the inclusion of Glanbia Ingredients Ireland as an associate from November 2012. Share of results of Joint Ventures & Associates is an after tax and interest amount.

Net financing costs were broadly unchanged at €11.2 million (HY 2012: €11.3 million). The Group's average interest rate for the period was 4.8% (HY 2012: 4.8%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 85% of projected 2013 debt currently contracted at fixed rates for 2013.

The HY 2013 tax charge declined by €1.3 million to €14.0 million (HY 2012: €15.3 million). This represents an effective rate, excluding Joint Ventures & Associates, of 17.0% (HY 2012: 19.9%). The decrease in the effective rate is driven by the change in mix and geographic locations in which profits are earned.

Adjusted earnings per share

Adjusted EPS summary	Constant Currency			Reported Currency		
	HY 2013	HY 2012[1]	Change	HY 2013	Change	FY 2012[1]
Continuing operations	**30.69c**	**27.58**	**11.3%**	**30.39**	**10.2%**	**51.34**
Discontinued operations	-	2.58	-	-	-	5.62
Total	30.69c	30.16	1.8%	30.39	0.8%	56.96

[1] 2012 results have been restated to reflect the adoption of the revised IAS 19 pension accounting standard (see Note 3 for full detail).

Adjusted EPS is calculated as the profit for the year attributable to the equity holders of the parent before exceptional items and amortisation of intangible assets (net of tax). Adjusted EPS increased 11.3% to 30.69 cents per share (HY 2012: 27.58 cents per share).

Dividend per share

The Board is recommending an interim dividend of 4.03 cents per share (HY 2012: 3.66 cents per share) an increase of 10%. Dividends will be paid on Friday, 11 October 2013 to shareholders on the register of members as at Friday, 30 August 2013. Irish withholding tax will be deducted at the standard rate where appropriate.

Net debt

The Group's net debt position at 29 June 2013 decreased by €116.1 million to €444.7 million relative to the first half of 2012 (HY 2012: €560.8 million). Relative to the year ended 31 December 2012, the Group's net debt increased by €68.1 million (FY2012: €376.6 million). The main drivers of the movement in net debt since the year end include the seasonal increase in working capital of €94.1 million primarily in the Dairy Ireland business segment and capital expenditure of €46.5 million partially offset by reported first half EBITDA of €115.3 million.

Group financing

The Group currently has three sources of committed debt finance totalling €755.8 million:

- A $325 million (€248.5 million) private placement of senior loan notes, due June 2021;

- Bilateral multicurrency revolving loan facilities totalling €468.2 million with eight banks, all maturing January 2018, which were renewed during 2012 on common terms and conditions; and

- Cumulative redeemable preference shares of €39.1 million due for redemption July 2014.

At 29 June 2013, the Group had a net debt to adjusted EBITDA leverage ratio of 2.0 times (HY 2012: 2.3 times) compared to the Group's banking covenant of 3.7 times. Adjusted EBIT to net financing cost cover stood at 8.6 times (HY 2012: 6.9 times) compared to the Group's banking covenant of 3.5 times.

Pension

The Group's net pension liability at 29 June 2013, under IAS 19 (revised) - Employee benefits, before deferred tax, decreased by €32.6 million to €84.8 million relative to the first half of 2012 (HY 2012: €117.4 million). The Group's net pension liability at 29 June 2013 decreased by €13.3 million to €84.8 million (FY 2012: €98.1 million) relative to the year end 2012. This decrease was mainly as a result of a 10 basis point increase in the discount rate applicable to the Irish pension schemes to 3.90% (FY 2012: 3.80%). This arose due to an increase in the AA corporate bond index which is used to value pension liabilities on an IAS 19R basis. The cash flow requirement for the Irish pension schemes is unchanged as the schemes remain on target to meet the funding position agreed with the Irish pensions' regulator. The fair value of the assets of the pension schemes at 29 June 2013 was €341.6 million (FY 2012: €332.6 million; HY 2012: €420.6 million) and the value of the scheme liabilities was €426.4 million (FY 2012: €430.7 million; HY 2012: €538 million).

2013 outlook

2013 guidance is for 8% to 10% growth in adjusted earnings per share on a constant currency basis. Based on the EUR/USD exchange rate as at 29 June 2013 of €1 = US$1.308 prevailing for the remainder of the year, guidance of 8% to 10% growth in adjusted earnings per share on a constant currency basis for 2013 would equate to 6% to 8% growth on a reported basis.

Principal risks and uncertainties affecting the Group's performance in 2013

The performance of the Group is influenced by global economic growth and consumer confidence in the markets in which it operates. In the second half of 2013, the principal risks affecting the Group's performance are:

- The continued fragile global economic outlook;
- The challenging Irish retail environment and the associated management of margins within Dairy Ireland; and
- The effective execution of our growth strategy within both Global Performance Nutrition and Global Ingredients.

The principal risks and uncertainties are outlined in detail in the 2012 Annual Report.

Supplementary information

2012 segmental restatement

For ease of comparison, the below table provides the 2012 full year results restated on the basis of the new segmentation.

Reported	FY 2012[1]		
€m	Revenue	EBITA	EBITA %
Global Performance Nutrition	585.9	57.3	9.8%
Global Ingredients	994.9	98.1	9.9%
Dairy Ireland	631.0	21.3	3.4%
Total Wholly owned businesses	2,211.8	176.7	8.0%
Joint Ventures & Associates[2]	826.3	37.9	4.6%
Total Group	3,038.1	214.6	7.1%

[1] 2012 EBITA has been restated to reflect the adoption of the revised IAS 19 pension accounting standard (see Note 3 for full detail).

[2] Glanbia disposed of a 60% interest in Glanbia Ingredients Ireland Limited ("GIIL") in November 2012. GIIL is now a 40% associate of the Group. 2012 half year results have been restated to show GIIL on the same basis.

Reconciliation of EBITA to profit after tax (PAT) for Joint Ventures & Associates

The table below reconciles EBITA with share of results of Joint Ventures & Associates, as reported in the Income Statement.

	Constant Currency			Reported Currency	
€m	HY 2013	HY 2012[1]	Change	HY 2013	Change
Pro forma EBITA	20.3	18.6	1.7	19.9	1.3
Reversal of pro forma adj. for GIIL	-	(6.7)	6.7	-	6.7
Reported EBITA	20.3	11.9	8.4	19.9	8.0
Finance costs	(2.2)	(2.6)	0.4	(2.0)	0.6
Income taxes	(4.4)	(2.9)	(1.5)	(4.3)	(1.4)
Profit after tax	13.7	6.4	7.3	13.6	7.2

1. Glanbia disposed of a 60% interest in Glanbia Ingredients Ireland Limited ("GIIL") in November 2012. GIIL is now a 40% associate of the Group. 2012 half year results have been restated to show GIIL on the same basis.

Ends

Cautionary statement

This announcement contains forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The Directors undertake no obligation to update any forward-looking statements contained in this announcement, whether as a result of new information, future events, or otherwise.

Results webcast and dial-in details

There will be a webcast and presentation to accompany this results announcement at 8.30 a.m. today. Please access the webcast from our website at Link: http://www.glanbia.com/HYR13-Webcast, where the presentation can also be viewed or downloaded. In addition, a dial-in facility is available using the following numbers:

Ireland: 01 246 5603

UK: +44 203 427 1910

Europe: + 44 203 427 1910

US: +1 646 254 3360

Passcode: 5889369

Constant Currency

Glanbia uses constant currency as a basis for commentary on its financial results and providing earnings guidance, as the majority of its earnings are US dollar denominated. Constant currency is based on translating HY 2013 results at the HY 2012 average exchange rate. The HY 2012 average exchange rate was €1 = US$1.297 which compares with the reported average exchange rate for HY 2013 of €1 = US$1.313.

For further information contact

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Responsibility statement

The Directors are responsible for preparing the half yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Central Bank of Ireland and with IAS 34 - Interim Financial Reporting, as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- The Group condensed financial statements for the half year ended 29 June 2013 have been prepared in accordance with the international accounting standards applicable to interim financial reporting adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

- The half yearly financial report includes a fair review of the development and performance of the business and the position of the Group;

- The half yearly financial report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the Group condensed financial statements for the half year ended 29 June 2013, and a description of the principal risks and uncertainties for the remaining six months;

- The half yearly financial report includes a fair review of related party transactions that have occurred during the first six months of the current financial year that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or the performance of the Group in the first six months of the current financial year; and

- The Directors of Glanbia plc are as listed in the Glanbia plc 2012 Annual Report, with the exception of the following changes in the period:

Kevin Toland resigned on 5 January 2013, Billy Murphy resigned on 1 June 2013 and Robert Prendergast and Brendan Hayes resigned on 5 June 2013.

Brian Phelan was appointed on 1 January 2013, Donard Gaynor was appointed on 12 March 2013, Hugh McGuire was appointed on 1 June 2013 and Vincent Gorman was appointed on 27 June 2013.

A list of current directors is maintained on the Glanbia plc website: www.glanbia.com.

On behalf of the Board

John Moloney | Siobhán Talbot

Group Managing Director | Group Managing Director Designate

20 August 2013

Condensed income statement
for the half year ended 29 June 2013

		Half year 2013			Half year 2012*			Year 2012*		
		Pre-			Pre-			Pre-		
		exceptional	Exceptional	Total	exceptional	Exceptional	Total	exceptional	Exceptional	Total
		2013	2013	2013	2012	2012	2012	2012	2012	2012
	Notes	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
			(note 8)			(note 8)			(note 8)	

Continuing operations										
Revenue	6	**1,236,349**	**-**	**1,236,349**	1,098,040	-	1,098,040	2,211,757	-	2,211,757
Earnings before interest, tax and amortisation (EBITA)		**102,269**	**-**	**102,269**	**97,753**	**4,690**	**102,443**	**176,730**	**1,610**	**178,340**
Intangible asset amortisation		**(10,020)**	**-**	**(10,020)**	(9,546)	-	(9,546)	(19,864)	-	(19,864)
Operating profit		**92,249**	**-**	**92,249**	**88,207**	**4,690**	**92,897**	**156,866**	**1,610**	**158,476**
Finance income	9	**1,077**	**-**	**1,077**	1,791	-	1,791	2,942	-	2,942
Finance costs	9	**(11,870)**	**-**	**(11,870)**	(13,068)	-	(13,068)	(23,370)	-	(23,370)
Share of results of Joint Ventures & Associates		**13,580**	**-**	**13,580**	6,443	-	6,443	12,147	-	12,147
Profit before taxation		**95,036**	**-**	**95,036**	**83,373**	**4,690**	**88,063**	**148,585**	**1,610**	**150,195**
Income taxes	10	**(13,847)**	**-**	**(13,847)**	(15,320)	627	(14,693)	(25,611)	1,440	(24,171)
Profit for the year from continuing operations		**81,189**	**-**	**81,189**	**68,053**	**5,317**	**73,370**	**122,974**	**3,050**	**126,024**
Discontinued operations										
Profit for the period from discontinued operations, net of tax		**-**	**-**	**-**	12,386	-	12,386	27,133	(7,761)	19,372
Profit for the period		**81,189**	**-**	**81,189**	**80,439**	**5,317**	**85,756**	**150,107**	**(4,711)**	**145,396**

Attributable to:

Equity holders of the Parent	**80,738**	85,324	144,956
Non-controlling interests	**451**	432	440
	81,189	**85,756**	**145,396**

Earnings per share from continuing and discontinued operations attributable to the equity holders of the Parent

Basic earnings per share (cents)	12			
From continuing operations		**27.39**	24.83	42.71
From discontinued operations		**-**	4.22	6.59
		27.39	**29.05**	**49.30**
Diluted earnings per share (cents)	12			
From continuing operations		**27.22**	24.58	42.33
From discontinued operations		**-**	4.17	6.53
		27.22	**28.75**	**48.86**

*As re-presented to reflect the effect of discontinued operations and the adoption of IAS 19 (revised) - Employee Benefits.

Condensed statement of comprehensive income
for the half year ended 29 June 2013

	Notes	Half year 2013 €'000	Half year* 2012 €'000	Year* 2012 €'000
Profit for the period		**81,189**	**85,756**	**145,396**
Other comprehensive income/(expense)				
Items that are not reclassified subsequently to the income statement:				
Remeasurements - defined benefit schemes	18	**8,512**	(76,760)	(100,095)
Deferred tax (charge)/credit on remeasurements		**(1,007)**	8,889	10,801
Share of remeasurements - Joint Ventures & Associates		**1,802**	(137)	(1,227)
Deferred tax (charge)/credit on remeasurements - Joint Ventures & Associates		**(225)**	17	169
Items that may be reclassified subsequently to the income statement:				
Currency translation differences	17	**4,187**	17,293	(8,071)
Net investment hedge	17	**(588)**	(2,110)	1,409
Revaluation of available for sale financial assets	17	**779**	(415)	(971)
Fair value movements on cash flow hedges	17	**264**	(1,181)	3,445
Deferred tax on cash flow hedges and revaluation of available for sale financial assets	17	**(292)**	301	(172)
Other comprehensive income/(expense) for the period, net of tax		**13,432**	**(54,103)**	**(94,712)**
Total comprehensive income for the period		**94,621**	**31,653**	**50,684**

Total comprehensive income attributable to:

Equity holders of the Parent	**94,170**	31,221	50,244
Non-controlling interests	**451**	432	440
	94,621	**31,653**	**50,684**

*As re-presented to reflect the adoption of IAS 19 (revised) - Employee Benefits.

Condensed statement of changes in equity
for the half year ended 29 June 2013

		Attributable to equity holders of the Parent					
		Share capital and share premium	**Other reserves**	**Retained earnings** *	**Total**	**Non -controlling interests**	**Total**
Half year 2012	Notes	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Balance at 31 December 2011		**100,962**	**153,544**	**261,308**	**515,814**	**7,135**	**522,949**
Profit for the period		-	-	85,324	**85,324**	432	**85,756**
Other comprehensive income/ (expense)							
Remeasurements - defined benefit schemes	18	-	-	(76,760)	**(76,760)**	-	**(76,760)**
Deferred tax on remeasurements		-	-	8,889	**8,889**	-	**8,889**
Share of remeasurements - Joint Ventures & Associates		-	-	(120)	**(120)**	-	**(120)**
Fair value movements	17	-	(1,596)	-	**(1,596)**	-	**(1,596)**

Deferred tax on fair value movements	17	-	301	-	**301**	-	**301**
Currency translation differences	17	-	17,293	-	**17,293**	-	**17,293**
Net investment hedge	17	-	(2,110)	-	**(2,110)**	-	**(2,110)**
Total comprehensive income		**-**	**13,888**	**17,333**	**31,221**	**432**	**31,653**
Dividends paid during the period	11	-	-	(14,550)	**(14,550)**	-	**(14,550)**
Cost of share based payments	17	-	1,553	-	**1,553**	-	**1,553**
Balance at 30 June 2012		**100,962**	**168,985**	**264,091**	**534,038**	**7,567**	**541,605**

Attributable to equity holders of the Parent

		Share capital and share premium	**Other reserves**	**Retained earnings**	**Total**	**Non -controlling interests**	**Total**
Half year 2013	Notes	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Balance at 29 December 2012		**102,095**	**145,289**	**289,997**	**537,381**	**7,275**	**544,656**
Profit for the period		-	-	80,738	**80,738**	451	**81,189**
Other comprehensive income/ (expense)							
Remeasurements - defined benefit schemes	18	-	-	8,512	**8,512**	-	**8,512**
Deferred tax on remeasurements		-	-	(1,007)	**(1,007)**	-	**(1,007)**
Share of remeasurements - Joint Ventures & Associates		-	-	1,577	**1,577**	-	**1,577**
Fair value movements	17	-	1,043	-	**1,043**	-	**1,043**
Deferred tax on fair value movements	17	-	(292)	-	**(292)**	-	**(292)**
Currency translation differences	17	-	4,187	-	**4,187**	-	**4,187**
Net investment hedge	17	-	(588)	-	**(588)**	-	**(588)**

Total comprehensive income		-	4,350	89,820	**94,170**	451	**94,621**
Dividends paid during the period	11	-	-	(16,009)	**(16,009)**	-	**(16,009)**
Cost of share based payments	17	-	2,292	-	**2,292**	-	**2,292**
Transfer on exercise, vesting or expiry of share based payments	17	-	6,317	(6,317)	-	-	**-**
Shares issued	16	36	-	-	**36**	-	**36**
Premium on shares issued	16	1,529	-	-	**1,529**	-	**1,529**
Purchase of own shares	17	-	(4,642)	-	**(4,642)**	-	**(4,642)**
Balance at 29 June 2013		**103,660**	**153,606**	**357,491**	**614,757**	**7,726**	**622,483**

*As re-presented to reflect the adoption of IAS 19 (revised) - Employee Benefits.

Goodwill previously written off amounting to €93.0 million (HY 2012: €93.0 million) is included in opening and closing retained earnings.

Condensed statement of financial position
as at 29 June 2013

		Half year	Half year	Year
		2013	**2012**	**2012**
	Notes	**€'000**	**€'000**	**€'000**
ASSETS				
Non-current assets				
Property, plant and equipment		**335,108**	408,398	309,496
Intangible assets		**475,214**	471,661	473,016
Investments in associates		**76,063**	13,112	67,586
Investments in joint ventures		**61,758**	63,434	58,482

Trade and other receivables		**16,436**	14,871	16,835
Deferred income tax assets		**18,781**	20,979	19,963
Available for sale financial assets		**8,140**	9,125	9,144
Derivative financial instruments		**-**	12	-
		991,500	1,001,592	954,522
Current assets				
Inventories		**281,879**	400,256	282,028
Trade and other receivables		**397,520**	402,723	271,589
Derivative financial instruments		**2,090**	2,968	1,457
Cash and cash equivalents	14	**73,060**	164,451	275,572
		754,549	970,398	830,646
Total assets		**1,746,049**	**1,971,990**	**1,785,168**
EQUITY				
Issued capital and reserves attributable to equity holders of the Parent				
Share capital and share premium	16	**103,660**	100,962	102,095
Other reserves	17	**153,606**	168,985	145,289
Retained earnings		**357,491**	264,091	289,997
		614,757	534,038	537,381
Non-controlling interests		**7,726**	7,567	7,275
Total equity		**622,483**	**541,605**	**544,656**
LIABILITIES				
Non-current liabilities				
Borrowings	14	**517,753**	724,228	527,046
Derivative financial instruments		**-**	456	-
Deferred income tax liabilities		**82,592**	102,258	91,057
Retirement benefit obligations	18	**84,888**	117,432	98,133
Provisions for other liabilities and charges	15	**21,803**	22,678	22,013

Capital grants		**2,577**	16,477	2,636
		709,613	983,529	740,885
Current liabilities				
Trade and other payables		**374,476**	406,566	345,423
Current tax liabilities		**16,646**	9,871	7,430
Borrowings	14	**-**	1,051	125,086
Derivative financial instruments		**2,585**	6,788	938
Provisions for other liabilities and charges	15	**20,246**	22,580	20,750
		413,953	446,856	499,627
Total liabilities		**1,123,566**	**1,430,385**	**1,240,512**
Total equity and liabilities		**1,746,049**	**1,971,990**	**1,785,168**

Condensed statement of cash flows

for the half year ended 29 June 2013

		Half year	**Half year***	**Year***
		2013	**2012**	**2012**
	Notes	**€'000**	**€'000**	**€'000**
Cash flows from operating activities				
Cash generated from/(absorbed by) operations	21	**17,799**	(25,848)	128,817
Interest received		**332**	1,076	2,814
Interest paid		**(12,238)**	(12,358)	(24,240)
Tax paid		**(11,974)**	(4,346)	(26,688)
Interest and tax paid - discontinued operations		**-**	(3,279)	(7,657)
Net cash (outflow)/inflow from operating activities		**(6,081)**	**(44,755)**	**73,046**

Cash flows from investing activities

Acquisition of subsidiary, net of cash acquired		**-**	-	(45,365)
Disposal of Yoplait franchise		**-**	18,000	18,000
Disposal of undertaking and investment in associate		**-**	-	25,599
Repayment of intercompany balance		**-**	-	125,652
Flax processing facility - insurance proceeds		**-**	-	8,132
Payment of deferred consideration on acquisition of subsidiaries		**-**	(78)	(1,104)
Purchase of property, plant and equipment	13	**(37,678)**	(23,946)	(65,893)
Purchase of intangible assets	13	**(8,800)**	(2,400)	(4,119)
Dividends received from joint ventures		**1,524**	2,779	13,778
Loans advanced to joint ventures and associates		**-**	-	(3,275)
Decrease in available for sale financial assets		**1,785**	1,627	523
Proceeds from sale of property, plant and equipment		**104**	289	495
Investing cash flows from discontinued operations		-	(13,662)	(23,964)
Net cash (outflow)/inflow from investing activities		**(43,065)**	**(17,391)**	**48,459**
Cash flows from financing activities				
Proceeds from issue of ordinary shares	16	**1,565**	-	1,133
Purchase of own shares		**(4,642)**	-	(7,692)
(Decrease)/increase in borrowings		**(134,088)**	8,410	(44,646)
Dividends paid to Company shareholders	11	**(16,009)**	(14,550)	(25,327)
Dividends paid to non-controlling interests		**-**	-	(300)
Capital grants received		**-**	-	1,584
Financing cash flows from discontinued operations		**-**	(515)	(928)
Net cash (outflow) from financing activities		**(153,174)**	**(6,655)**	**(76,176)**
Net (decrease)/increase in cash and cash equivalents		**(202,320)**	**(68,801)**	**45,329**
Cash and cash equivalents at the beginning of the period		**275,572**	231,373	231,373
Effects of exchange rate changes on cash and cash equivalents		**(192)**	1,879	(1,130)
Cash and cash equivalents at the end of the period	14	**73,060**	**164,451**	**275,572**

Reconciliation of net cash flow to movement in net debt		Half year	Half year	Year
		2013	2012	2012
		€'000	€'000	€'000
Net (decrease)/increase in cash and cash equivalents		**(202,320)**	(68,801)	45,329
Cash movements from debt financing		**134,088**	(7,895)	47,869
		(68,232)	**(76,696)**	**93,198**
Fair value movement of interest rate swaps		**1,106**	2,734	2,850
Exchange translation adjustment on net debt		**(1,007)**	(6,535)	7,723
Movement in net debt in the period		**(68,133)**	**(80,497)**	**103,771**
Net debt at the beginning of the period		**(376,560)**	(480,331)	(480,331)
Net debt at the end of the period		**(444,693)**	**(560,828)**	**(376,560)**
Net debt comprises:				
Borrowings	14	**(517,753)**	(725,279)	(652,132)
Cash and cash equivalents	14	**73,060**	164,451	275,572
		(444,693)	**(560,828)**	**(376,560)**

*As re-presented to reflect the effect of discontinued operations and the adoption of IAS 19 (revised) - Employee Benefits.

Notes to the condensed financial statements
for the half year ended 29 June 2013

1. General information

Glanbia plc (the "Company") and its subsidiaries (together the "Group") is an integrated global nutritionals and large scale global dairy business with its main operations in Ireland, mainland Europe, the USA, Africa and Asia.

The Company is a public limited company incorporated and domiciled in Ireland. The address of its registered office is Glanbia House, Kilkenny, Ireland. The Group is controlled by Glanbia Co-operative Society Limited (the "Society"), which holds 41.3% of the issued share capital of the Company and is the ultimate parent of the Group.

The Company shares are quoted on the Irish and London Stock Exchanges.

2. Basis of preparation

The condensed interim financial statements for the six months ended 29 June 2013 and for the six months ended 30 June 2012 have not been audited by the Group's auditors. The amounts disclosed for the full year ended 29 December 2012 represent an abbreviated version of the Group's financial statements for that year, which received an unqualified audit report. The statutory accounts for the financial year ended 29 December 2012 were approved by the Board of Directors on 12 March 2013 and have been filed with the Companies Registration Office.

The Group's condensed interim financial statements for the six months ended 29 June 2013 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Central Bank of Ireland and with IAS 34 - Interim Financial Reporting. These condensed interim financial statements do not constitute statutory accounts within the meaning of section 19 of the Companies (Amendment) Act 1986. The condensed interim financial statements should be read in conjunction with the financial statements for the year ended 29 December 2012, which have been prepared in accordance with IFRS.

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of changes in trading performance, show that the Group expects to be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. In forming this view, the Directors have reviewed the Group's budget for a period of not less than 12 months, the medium term plans as set out in the three year strategic plan, and have taken into account the cash flow implications of the plans, including proposed capital expenditure, and compared these

with the Group's committed borrowing facilities and Group financing key performance indicators (KPIs). The Group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements for the six months ended 29 June 2013.

3. Accounting policies

The methods of computation and accounting policies adopted in the preparation of the Group's condensed interim financial statements are consistent with those applied in the Annual Report for the year ended 29 December 2012 except for the IFRS' outlined below. The Group's accounting policies are set out in the financial statements in the 2012 Annual Report.

The following standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), are effective for the Group for the first time in the current financial period and where relevant have been adopted by the Group:

- IAS 19 (revised) - Employee Benefits
- IFRS 13 - Fair Value Measurement

With the exception of IAS 19 (revised) - Employee Benefits, adoption of the standards above had no significant impact on the results or financial position of the Group during the period.

IAS 19 (revised) - Employee Benefits amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group's result is as follows:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost which is calculated based on the net defined benefit liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. In addition, the government pension levy is now reclassified and recognised in other comprehensive income. The adoption of IAS 19 (revised) - Employee Benefits has resulted in a decrease in the income statement charge for the six months ended 30 June 2012 and 12 months ended 29 December 2012. This has no effect on total comprehensive income as the decreased charge in the income statement is offset by an increase in the charge to the statement of other comprehensive income.

There is a new term - remeasurements. This is made up of actuarial gains and losses and the difference between investment returns and the return implied by the net interest cost. Remeasurements are reflected in the statement of other comprehensive income.

The pension deficit, 'retirement benefit obligations' as previously reported on the balance sheet has not changed as a result of the above.

The effect of the change in accounting policy for the continuing Group on the income statement, basic earnings per share and adjusted earnings per share at 30 June 2012 is as follows:

	As reported*	IAS 19 impact	Restated
	Half year	Half year	Half year
	2012	2012	2012
Earnings before interest, tax and amortisation (€'000)	97,163	590	**97,753**
Income taxes (€'000)	(15,247)	(73)	**(15,320)**
Profit for the period pre exceptional (€'000)	67,536	517	**68,053**
Basic earnings per share (cents per share)	24.65	0.18	**24.83**
Adjusted earnings per share (cents per share)	27.39	0.19	**27.58**

*As represented to reflect the effect of discontinued operations

The effect of the change in accounting policy for the continuing Group on the income statement, basic earnings per share and adjusted earnings per share at 29 December 2012 is as follows:

	As reported*	IAS 19 impact	Restated
	Full year	Full year	Full year
	2012	2012	2012

Earnings before interest, tax and amortisation (€'000)	175,842	888	**176,730**
Income taxes (€'000)	(25,500)	(111)	**(25,611)**
Profit for the year pre exceptional (€'000)	122,197	777	**122,974**
Basic earnings per share (cents per share)	42.45	0.26	**42.71**
Adjusted earnings per share (cents per share)	51.02	0.32	**51.34**

*As represented to reflect the effect of discontinued operations

The change in accounting policy has no impact on the continuing Group statement of cashflows at period end 30 June 2012 or year end 29 December 2012.

4. Changes in estimates and assumptions

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 29 December 2012, with the exception of changes in estimates outlined in note 18 - retirement benefit obligations.

5. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, (including currency risk, interest rate risk, price risk, liquidity and cash flow risk) and credit risk. The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements in the 2012 Annual Report.

There have been no changes to the risk management procedures or policies since 2012 year end.

Fair value estimation

The fair value of financial instruments traded in active markets (such as available for sale financial assets) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using generally accepted valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

In accordance with IFRS 7 - Financial Instruments: Disclosures, the Group has disclosed the fair value of instruments by the following fair value measurement hierarchy:

· quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)

· inputs, other than quoted prices included in level 1, that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)

· inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's assets and liabilities that are measured at fair value at 29 June 2013 and 29 December 2012:

	Level 1	Level 2	Level 3	Total
29 June 2013	€'000	€'000	€'000	€'000
Assets				
Derivatives used for hedging	-	2,090	-	**2,090**
Available for sale financial assets				
- equity securities	317	1,133	-	**1,450**
Total assets	**317**	**3,223**	**-**	**3,540**
Liabilities				
Derivatives used for hedging	-	(2,585)	-	**(2,585)**

Total liabilities	**-**	**(2,585)**	**-**	**(2,585)**

	Level 1	**Level 2**	**Level 3**	**Total**
29 December 2012	**€'000**	**€'000**	**€'000**	**€'000**
Assets				
Derivatives used for hedging	-	1,457	-	**1,457**
Available for sale financial assets				
- equity securities	224	447	-	**671**
Total assets	**224**	**1,904**	-	**2,128**
Liabilities				
Derivatives used for hedging	-	(938)	-	**(938)**
Total liabilities	-	**(938)**	-	**(938)**

Valuation techniques used to derive level 2 fair values

Level 2 trading and hedging derivatives comprise foreign exchange contracts. These foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties. Level 2 equity securities are based on observable quoted prices that are directly available.

Group's valuation process

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. The Group did not hold any level 3 financial assets at 29 June 2013, 29 December 2012 or 30 June 2012. This team reports directly to the Group Finance Director who in turn reports to the Audit Committee. Discussions of valuation processes and results are held between the Group Finance Director and the Audit Committee.

Changes in level 2 fair values are analysed at each reporting date. As part of this discussion, the valuation team presents a report that explains the reasons for the fair value movements.

6. Segment information

During 2013, following an internal financial reporting reorganisation and in accordance with IFRS 8 - Operating Segments, the Group moved from three to four operating segments. The four segments are as follows: Global Performance Nutrition, Global Ingredients, Dairy Ireland and Joint Ventures & Associates. These segments align with the Group's revised internal financial reporting system and the way in which the Chief Operating Decision Maker now assesses performance and allocates the Group's resources. A segment manager is responsible for each segment and is directly accountable for the performance of that segment to the Glanbia Operating Executive Committee which acts as the Chief Operating Decision Maker for the Group.

Each segment derives its revenues as follows: Global Performance Nutrition earns its revenue from sports nutrition solutions; Global Ingredients earns its revenue from the manufacture and sale of cheese, whey protein and other customised solutions; Dairy Ireland earns its revenue from the manufacture and sale of a range of consumer products and farm inputs and Joint Ventures & Associates revenue arises from the manufacture and sale of cheese, whey proteins and dairy consumer products. Each segment is reviewed in its totality by the Chief Operating Decision Maker. The Glanbia Operating Executive Committee assesses the trading performance of operating segments based on a measure of earnings before interest, tax, amortisation and exceptional items.

Comparatives for the 2012 half year and full year are restated to reflect the revised segments and adoption of IAS 19 (revised) - Employee Benefits.

As outlined in note 8 - exceptional items, the Group sold 60% of Glanbia Ingredients Ireland Limited during 2012. 100% of the trade and activities of this business are shown below under the Discontinued Operations segment.

Half year 2013		Global Performance Nutrition €'000	Global Ingredients €'000	Dairy Ireland €'000	JVs & Associates €'000	Group including JVs & Associates €'000
Total gross segment revenue	(a)	320,202	550,048	383,247	426,797	**1,680,294**
Inter-segment revenue		-	(17,148)	-	-	**(17,148)**
Segment external revenue		**320,202**	**532,900**	**383,247**	**426,797**	**1,663,146**
Segment earnings before interest, tax, amortisation and exceptional items	(b)	**33,606**	**56,636**	**12,027**	**19,907**	**122,176**
Segment assets	(c)	**562,496**	**585,989**	**357,879**	**154,257**	**1,660,621**
Segment liabilities	(d)	**111,959**	**207,975**	**207,454**	**-**	**527,388**

Included in external revenue are related party sales between Global Ingredients and Joint Ventures & Associates of €7.5 million and related party sales between Dairy Ireland and Joint Ventures & Associates of €6.6 million.

6.1(a) Segment revenue is reconciled to reported external revenue as follows:

	€'000
Segment revenue	**1,680,294**
Inter-segment revenue	(17,148)
Joint Ventures & Associates revenue	(426,797)
Reported external revenue	**1,236,349**

6.1(b) Segment earnings before interest, tax, amortisation and exceptional items is reconciled to reported profit after tax as follows:

	€'000
Segment earnings before interest, tax, amortisation and exceptional items	**122,176**
Amortisation	(10,020)
Joint Ventures & Associates interest and tax	(6,327)
Finance income	1,077
Finance costs	(11,870)
Reported profit before tax	**95,036**
Income tax	(13,847)
Reported profit after tax	**81,189**

6.1(c) Segment assets are reconciled to reported assets as follows:

	€'000
Segment assets	**1,660,621**
Unallocated assets	85,428
Reported assets	**1,746,049**

Unallocated assets primarily include cash and cash equivalents, available for sale financial assets and derivatives.

6.1(d) Segment liabilities are reconciled to reported liabilities as follows:

	€'000
Segment liabilities	**527,388**
Unallocated liabilities	596,178

Reported liabilities			**1,123,566**				

Unallocated liabilities primarily include items such as borrowings and derivatives.

Half year 2012		Global Performance Nutrition	Global Ingredients	Dairy Ireland	JVs & Associates	Discontinued Operations	Group including JVs & Associates
		€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Total gross segment revenue	(a)	285,316	475,877	350,881	257,764	340,707	**1,710,545**
Inter-segment revenue		-	(14,034)	-	-	(18,049)	**(32,083)**
Segment external revenue		**285,316**	**461,843**	**350,881**	**257,764**	**322,658**	**1,678,462**
Segment earnings before interest, tax, amortisation and exceptional items	(b)	**28,350**	**53,391**	**16,012**	**11,916**	**16,775**	**126,444**
Segment assets	(c)	**538,586**	**493,686**	**670,097**	**90,438**	**-**	**1,792,807**
Segment liabilities	(d)	**98,569**	**181,663**	**361,784**	**-**	**-**	**642,016**

Included in external revenue are related party sales between Global Ingredients and Joint Ventures & Associates of €7.4 million, related party sales between Dairy Ireland and Joint Ventures and Associates of €2.7 million and related party sales between Discontinued Operations and Joint Ventures & Associates of €32.7 million.

6.2(a) Segment revenue is reconciled to reported external revenue as follows:

	€'000
Segment revenue	**1,710,545**
Inter-segment revenue	(32,083)
Joint Ventures & Associates revenue	(257,764)
Revenue from Discontinued Operations	(322,658)
Reported external revenue from continuing operations	**1,098,040**

6.2(b) Segment earnings before interest, tax, amortisation and exceptional items is reconciled to reported profit after tax as follows:

	€'000
Segment earnings before interest, tax, amortisation and exceptional items	**126,444**
Discontinued Operations - earnings before interest, tax, amortisation and exceptional items	(16,775)
Amortisation	(9,546)
Exceptional items	4,690
Joint Ventures & Associates interest and tax	(5,473)
Finance income	1,791
Finance costs	(13,068)
Reported profit before tax from continuing operations	**88,063**
Tax	(14,693)
Reported profit after tax from continuing operations	**73,370**

6.2(c) Segment assets are reconciled to reported assets as follows:

	€'000
Segment assets	**1,792,807**

Unallocated assets	179,183
Reported assets	**1,971,990**

Unallocated assets primarily include cash and cash equivalents, available for sale financial assets and derivatives.

6.2(d) Segment liabilities are reconciled to reported liabilities as follows:

	€'000
Segment liabilities	**642,016**
Unallocated liabilities	788,369
Reported liabilities	**1,430,385**

Unallocated liabilities primarily include items such as borrowings and derivatives.

		Global Performance Nutrition	**Global Ingredients**	**Dairy Ireland**	**JVs & Associates**	**Discontinued Operations**	**Group including JVs & Associates**
Year end 2012		**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Total gross segment revenue	(a)	585,937	1,024,894	630,999	577,002	653,292	**3,472,124**
Inter-segment revenue		-	(30,030)	(43)	-	(30,096)	**(60,169)**
Segment external revenue		**585,937**	**994,864**	**630,956**	**577,002**	**623,196**	**3,411,955**

Segment earnings before interest, tax, amortisation and exceptional items	(b)	**57,346**	**98,069**	**21,315**	**23,105**	**37,058**	**236,893**
Segment assets	(c)	**528,600**	**538,114**	**288,618**	**142,903**	**-**	**1,498,235**
Segment liabilities	(d)	**99,844**	**202,153**	**171,628**	**-**	**-**	**473,625**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €8.1 million, related party sales between Global Ingredients and Joint Ventures & Associates of €15.2 million and related party sales between Discontinued Operations and Joint Ventures & Associates of €62.3 million.

6.3(a) Segment revenue is reconciled to reported external revenue as follows:

	€'000
Segment revenue	**3,472,124**
Inter-segment revenue	(60,169)
Joint Ventures & Associates revenue	(577,002)
Revenue from Discontinued Operations	(623,196)
Reported external revenue from continuing operations	**2,211,757**

6.3(b) Segment earnings before interest, tax, amortisation and exceptional items is reconciled to reported profit after tax as follows:

	€'000
Segment earnings before interest, tax, amortisation and exceptional items	**236,893**
Discontinued Operations - earnings before interest, tax, amortisation and exceptional items	(37,058)
Amortisation	(19,864)
Exceptional items	1,610
Joint Ventures & Associates interest and tax	(10,958)

Finance income	2,942
Finance costs	(23,370)
Reported profit before tax from continuing operations	**150,195**
Income taxes	(24,171)
Reported profit after tax from continuing operations	**126,024**

6.3(c) Segment assets are reconciled to reported assets as follows:

	€'000
Segment assets	**1,498,235**
Unallocated assets	286,933
Reported assets	**1,785,168**

Unallocated assets primarily include cash and cash equivalents, available for sale financial assets and derivatives.

6.3(d) Segment liabilities are reconciled to reported liabilities as follows:

	€'000
Segment liabilities	**473,625**
Unallocated liabilities	766,887
Reported liabilities	**1,240,512**

Unallocated liabilities primarily include items such as borrowings and derivatives.

7. Seasonality

Elements of the business, particularly within the Dairy Ireland segment reflect the seasonal nature of the Irish agricultural industry. This seasonality was one of the main factors driving the increase in working capital in the period of €96.0 million (HY 2012: €135.2 million)

8. Exceptional items

		Half year	Half year	Year
		2013	2012	2012
	Notes	€'000	€'000	€'000
Exceptional items - continuing operations				
Sale of Yoplait franchise	(a)	-	4,690	6,109
Rationalisation costs	(b)	-	-	(3,810)
Flax processing facility	(c)	-	-	4,401
Property write down	(d)	-	-	(5,090)
Total exceptional credit before tax		-	**4,690**	**1,610**
Exceptional tax credit		-	627	1,440
Net exceptional credit		-	**5,317**	**3,050**
Exceptional items - discontinued operations				
Glanbia Ingredients Ireland Limited - 60% disposal	(e)	-	-	(8,095)
Total exceptional (charge) - discontinued operations		-	-	**(8,095)**
Exceptional tax credit - discontinued operations		-	-	334

Net exceptional (charge) - discontinued operations	**-**	**-**	**(7,761)**
Total exceptional (charge)	**-**	**-**	**(4,711)**

(a) During 2012, following a strategic review of its Consumer Products business the Group agreed new terms to its relationship with Yoplait, the owner of the global Yoplait yogurt business. Under the new agreement, Yoplait reacquired the franchise for Ireland from Glanbia plc for €18.0 million. This gain was offset by a related write down in property, plant and equipment and rationalisation costs totalling €11.9 million (€5.7 million of which was a non cash cost).

(b) During 2012, rationalisation costs primarily relate to redundancy in the Dairy Ireland segment.

(c) During 2012, the flax processing facility operated by the Group in Canada suffered fire damage. The exceptional gain of €4.4 million reflected the minimum insurance proceeds receivable less the net book value of assets written down.

(d) The Group reviewed its property portfolio during 2012 which resulted in a write down of €5.1 million.

(e) In November 2012, the Group reached an agreement with Glanbia Co-operative Society Limited (the "Society") whereby the Society acquired a 60% interest in the Dairy Ingredients business, Glanbia Ingredients Ireland Limited. With effect from 25 November 2012, the Group's 40% shareholding in Glanbia Ingredients Ireland Limited has been treated as an associate undertaking and accounted for using the equity method in accordance with IAS 28 - Investment in Associates. In accordance with IFRS 5 - Non Current Assets Held for Sale and Discontinued Operations, the disposal of the Group's interest is considered to be a discontinued operation. In line with IFRS 5, a loss on disposal of €8.1 million was recognised in the income statement. This includes the recycle of €1.0 million cumulative foreign currency translation gains which were previously recognised in equity. The loss on this transaction arose as follows:

Discontinued operations

	11 months 2012 €'000
100% disposal of Glanbia Ingredients Ireland Limited	(84,470)
40% equity interest retained in Glanbia Ingredients Ireland Limited	33,788

Total cash consideration received in respect of 60% disposal	49,289
Disposal related costs	(5,026)
Currency translation gain previously recognised in equity	1,001
	(5,418)
Discontinued finance costs - cancellation of interest rate swaps	(2,677)
Exceptional loss	**(8,095)**

The revenue and results of 100% of the Group's discontinued operations for the six months to 30 June 2012 and eleven months to 24 November 2012 are as follows:

	Half year	11 months
	2012	**2012**
	€'000	**€'000**
Revenue	322,658	623,196
Expenses	(306,187)	(586,627)
Operating profit	**16,471**	**36,569**
Net finance costs	(2,103)	(5,100)
Profit before taxation	**14,368**	**31,469**
Income taxes	(1,982)	(4,336)
Profit for the period from discontinued operations	**12,386**	**27,133**

The cash flows of the Group's discontinued operations for the six months to 30 June 2012 and eleven months to 24 November 2012 are as follows:

	Half year	11 months

	2012	2012
	€'000	€'000
Operating cash flows		
Profit before taxation	14,368	31,469
Depreciation	5,968	10,960
Amortisation	306	489
Interest expense	2,103	5,100
Amortisation of government grants received	(564)	(1,031)
Cash generated from discontinued operations before changes in working capital	**22,181**	**46,987**
Increase in working capital	(15,651)	(42,889)
Operating cash flows generated from discontinued operations	**6,530**	**4,098**

	Half year	11 months
	2012	2012
	€'000	€'000
Operating cash flows generated from discontinued operations		
Cash generated from operating activities	6,530	4,098
Interest paid*	(2,103)	(5,100)
Tax paid*	(1,176)	(2,557)
Operating net cash inflow/(outflow) from discontinued operations	**3,251**	**(3,559)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,662)	(23,964)
Investing cash (outflow) from discontinued operations	**(13,662)**	**(23,964)**

Cash flows from financing activities		
Finance lease principal payments	(515)	(928)
Financing cash (outflow) from discontinued operations	**(515)**	**(928)**
Cash (absorbed) at the end of the six/eleven month period	**(10,926)**	**(28,451)**

*Estimated allocation of the Group's interest and tax costs to discontinued operations

9. Finance income and costs

	Half year	Half year	Year
	2013	2012	2012
	€'000	€'000	€'000
Finance income			
Interest income	**1,077**	1,762	2,913
Interest income on deferred consideration	**-**	29	29
Total finance income	**1,077**	**1,791**	**2,942**
Finance costs			
- Bank borrowings repayable within five years	**(3,982)**	(5,112)	(9,434)
- UK pension provision	**(58)**	(60)	(121)
- Finance lease costs	**-**	(72)	(131)
- Interest rate swaps, transfer from equity	**-**	(896)	(1,059)
- Interest rate swaps, fair value hedges	**-**	1,093	1,764
- Fair value adjustment to borrowings attributable to interest rate risk	**-**	(1,093)	(1,764)

- Finance cost of private debt placement	**(6,492)**	(6,857)	(13,376)
- Finance cost of preference shares	**(1,338)**	(2,174)	(4,349)
Total finance costs	**(11,870)**	**(15,171)**	**(28,470)**
Net finance costs	**(10,793)**	**(13,380)**	**(25,528)**
From continuing operations	**(10,793)**	**(11,277)**	**(20,428)**
From discontinued operations	**-**	**(2,103)**	**(5,100)**

10. Income taxes

The Group's income tax charge of €13.8 million (HY 2012: €14.7 million) has been prepared based on the Group's best estimate of the weighted average tax rate that is expected for the full financial year.

11. Dividends

A final dividend in respect of the year ended 29 December 2012 of 5.43 cents per share was paid during the period. On 20 August 2013, the Directors declared the payment of an interim dividend for 2013 of 4.03 cents per share (2012 interim dividend: 3.66 cents per share). The interim dividend will be reflected in the financial statements for the full year 2013 in line with IAS 10 - Events After the Reporting Period.

12. Earnings per share

	Half year	Half year	Year
	2013	2012	2012

Basic			
Profit attributable to equity holders of the Parent (€'000)			
From continuing operations	**80,738**	72,938	125,584
From discontinued operations	**-**	12,386	19,372
Weighted average number of ordinary shares in issue	**294,804,164**	293,792,108	294,022,876
Basic earnings per share (cents per share)			
From continuing operations	**27.39**	24.83	42.71
From discontinued operations	**-**	4.22	6.59
	27.39	29.05	49.30
Diluted			
Weighted average number of ordinary shares in issue	**294,804,164**	293,792,108	294,022,876
Adjustments for share options and share awards	**1,807,398**	2,884,964	2,670,265
Adjusted weighted average number of ordinary shares	**296,611,562**	296,677,072	296,693,141
Diluted earnings per share (cents per share)			
From continuing operations	**27.22**	24.58	42.33
From discontinued operations	**-**	4.17	6.53
	27.22	28.75	48.86
Adjusted			
Profit attributable to equity holders of the Parent (€'000)	**80,738**	72,938	125,584
Amortisation of intangible assets (net of related tax)	**8,768**	8,352	17,381
Amortisation of joint ventures and associates intangible assets (net of related tax)	**94**	-	-

Net exceptional (credit)/charge	**-**	(5,317)	(3,050)
Adjustment to reflect 40% share of discontinued operations retained by the Group	**-**	4,954	10,853
Adjustment to reflect 40% share of discontinued operations amortisation of			
intangible assets (net of related tax) retained by the Group	**-**	107	171
Adjusted net income - continuing operations (€'000)	**89,600**	81,034	150,939
Profit attributable to equity holders of the Parent - discontinued operations (€'000)	**-**	12,386	19,372
Amortisation of intangible assets (net of related tax)	**-**	268	428
Net exceptional items	**-**	-	7,761
Adjustment to reflect 40% share of discontinued operations retained by the Group	**-**	(4,954)	(10,853)
Adjustment to reflect 40% share of discontinued operations amortisation of			
intangible assets (net of related tax) retained by the Group	**-**	(107)	(171)
Adjusted net income - discontinued operations (€'000)	**-**	7,593	16,537
Adjusted earnings per share (cents per share)			
From continuing operations	**30.39**	27.58	51.34
From discontinued operations	**-**	2.58	5.62
	30.39	30.16	56.96
Diluted adjusted earnings per share (cents per share)			
From continuing operations	**30.21**	27.31	50.87
From discontinued operations	**-**	2.56	5.57
	30.21	29.87	56.44

13. Property, plant & equipment and intangible assets

During the six month period to 29 June 2013 the Group spent €46.5 million (HY 2012: €40.0 million) on additions to property, plant & equipment and intangible assets. At 29 June 2013 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €39.0 million (HY 2012: €11.7 million).

14. Net debt

	Half year 2013 €'000	Half year 2012 €'000	Year 2012 €'000
Borrowings due within one year	**-**	1,051	125,086
Borrowings due after one year	**517,753**	724,228	527,046
Less:			
Cash and cash equivalents	**(73,060)**	(164,451)	(275,572)
Net debt	**444,693**	560,828	376,560

The Group has the following undrawn borrowing facilities:

	Half year 2013 €'000	Half year 2012 €'000	Year 2012 €'000
Expiring within one year	**7,917**	182,130	8,060
Expiring beyond one year	**238,006**	108,008	225,812
	245,923	290,138	233,872

Movement in net borrowings to the period ended 30 June 2012 is analysed as follows:

€'000

Balance at 31 December 2011	**480,331**
- Disposal of Yoplait franchise	(18,000)
- Net drawdown of borrowings	94,696
- Fair value of interest rate swaps qualifying as fair value hedges	(2,734)
- Exchange translation adjustment on net debt	6,535
Balance at 30 June 2012	**560,828**

Movement in net borrowings to the period ended 29 June 2013 is analysed as follows:

	€'000
Balance at 29 December 2012	**376,560**
- Net drawdown of borrowings	68,232
- Fair value of interest rate swaps qualifying as fair value hedges	(1,106)
- Exchange translation adjustment on net debt	1,007
Balance at 29 June 2013	**444,693**

15. Provisions for other liabilities and charges

Restructuring	UK pension	Legal claims	Property & lease commitments	Operational	Total
€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
note (a)	note (b)	note (c)	note (d)	note (e)	

At 29 December 2012	**10,021**	**18,555**	**4,951**	**1,559**	**7,677**	**42,763**
Provided in the period	-	-	1,147	-	1,541	**2,688**
Utilised in the period	(1,945)	(246)	(390)	(50)	-	**(2,631)**
Exchange differences	-	(869)	26	(15)	28	**(830)**
Unwinding of discounts	-	59	-	-	-	**59**
At 29 June 2013	**8,076**	**17,499**	**5,734**	**1,494**	**9,246**	**42,049**
Non-current	-	16,554	-	1,262	3,987	**21,803**
Current	8,076	945	5,734	232	5,259	**20,246**
	8,076	**17,499**	**5,734**	**1,494**	**9,246**	**42,049**

(a) The restructuring provision relates to the rationalisation programme that the Group is currently undertaking. The provision, which relates mainly to termination payments is expected to be fully utilised within the year.

(b) The UK pension provision relates to administration and certain costs associated with pension schemes attached to businesses disposed of in prior years. This provision is expected to be fully utilised over the next 30 years.

(c) The legal claims provision relates to legal claims brought against the Group. The amounts provided for in the year are recognised in the income statement within administrative expenses. The balance at 29 June 2013 is expected to be utilised within the next year. In the opinion of the Directors, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for at 29 June 2013.

(d) The property and lease commitments provision relates to onerous leases in respect of two properties where the Group has a present and future obligation to make lease payments. It is expected that €0.2 million will be utilised within the next year and the balance will be fully utilised over the next 4 years.

(e) It is expected that €5.3 million of this operational provision will be utilised within the next year. Due to the nature of these items, there is some uncertainty around the amount and timing of payments.

16. Share capital and share premium

Half year 2012	Number of shares (thousands)	Ordinary shares €'000	Share premium €'000	Total €'000
At 31 December 2011 and at 30 June 2012	**294,533**	**17,672**	**83,290**	**100,962**

Half year 2013	Number of shares (thousands)	Ordinary shares €'000	Share premium €'000	Total €'000
At 29 December 2012	**294,956**	**17,697**	**84,398**	**102,095**
Shares issued	600	36	1,529	**1,565**
At 29 June 2013	**295,556**	**17,733**	**85,927**	**103,660**

During the period ended 29 June 2013 600,000 of the 2002 Long Term Incentive Plan ('the 2002 LTIP') shares were exercised with exercise proceeds of €1.6 million. The related weighted average exercise price was €2.60 per share.

The total authorised number of ordinary shares is 306 million shares (HY 2012: 306 million shares) with a par value of €0.06 per share (HY 2012: €0.06 per share). All issued shares are fully paid.

17. Other reserves

Half year 2012	Capital and merger reserve €'000	Currency reserve €'000	Hedging reserve €'000	Available for sale financial asset reserve €'000	Own shares €'000	Share based payments reserve €'000	Total €'000
Balance at 31 December 2011	**115,973**	**39,317**	**(5,252)**	**1,137**	**(2,774)**	**5,143**	**153,544**
Currency translation differences	-	17,293	-	-	-	-	**17,293**
Net investment hedge	-	(2,110)	-	-	-	-	**(2,110)**
Revaluation of interest rate swaps - loss in period	-	-	(230)	-	-	-	**(230)**
Foreign exchange contracts - loss in period	-	-	(1,295)	-	-	-	**(1,295)**
Transfers to income statement:							
- Foreign exchange contracts - loss in period	-	-	146	-	-	-	**146**
- Forward commodity contracts - gain in period	-	-	(138)	-	-	-	**(138)**
- Interest rate swaps - loss in period	-	-	896	-	-	-	**896**
Revaluation of forward commodity contracts - loss in period	-	-	(560)	-	-	-	**(560)**
Revaluation of available for sale financial assets - loss in period	-	-	-	(415)	-	-	**(415)**
Deferred tax on fair value movements	-	-	177	124	-	-	**301**
Cost of share based payments	-	-	-	-	-	1,553	**1,553**
Balance at 30 June 2012	**115,973**	**54,500**	**(6,256)**	**846**	**(2,774)**	**6,696**	**168,985**

Half year 2013	Capital and merger reserve €'000	Currency reserve €'000	Hedging reserve €'000	Available for sale financial asset reserve €'000	Own shares €'000	Share based payment reserve €'000	Total €'000

Balance at 29 December 2012	**115,973**	**32,655**	**(2,254)**	**441**	**(8,221)**	**6,695**	**145,289**
Currency translation differences	-	4,187	-	-	-	-	**4,187**
Net investment hedge	-	(588)	-	-	-	-	**(588)**
Revaluation of interest rate swaps - gain in period	-	-	532	-	-	-	**532**
Foreign exchange contracts - loss in period	-	-	(503)	-	-	-	**(503)**
Transfers to income statement:							
- Foreign exchange contracts - loss in period	-	-	155	-	-	-	**155**
- Forward commodity contracts - loss in period	-	-	161	-	-	-	161
Revaluation of forward commodity contracts - loss in period	-	-	(81)	-	-	-	**(81)**
Revaluation of available for sale financial assets - loss in period	-	-	-	779	-	-	**779**
Deferred tax on fair value movements	-	-	(35)	(257)	-	-	**(292)**
Cost of share based payments	-	-	-	-	-	2,292	**2,292**
Transfer on exercise, vesting or expiry of share based payments	-	-	-	-	9,094	(2,777)	**6,317**
Purchase of own shares	-	-	-	-	(4,642)	-	**(4,642)**
Balance at 29 June 2013	**115,973**	**36,254**	**(2,025)**	**963**	**(3,769)**	**6,210**	**153,606**

18. Retirement benefit obligations

The movement in the liability recognised in the statement of financial position is as follows:

	Half year	Half year	Year

	2013	2012	2012
	€'000	€'000	€'000
At the beginning of the period	**(98,133)**	(48,425)	(48,425)
Exchange differences	**1,137**	(686)	(476)
Total expenses	**(4,318)**	(3,435)	(6,666)
Remeasurements - defined benefit schemes	**8,512**	(76,760)	(100,095)
Disposal	**-**	-	36,954
Contributions paid by employer	**7,914**	11,874	20,575
At the end of the period	**(84,888)**	**(117,432)**	**(98,133)**

The amounts recognised in the statement of financial position are determined as follows:

	Half year	Half year	Year
	2013	2012	2012
	€'000	€'000	€'000
Fair value of plan assets	**341,576**	420,569	332,603
Present value of funded obligations	**(426,464)**	(538,001)	(430,736)
Net deficit in schemes	**(84,888)**	**(117,432)**	**(98,133)**

The following actuarial assumptions have been made in determining the Group's retirement benefit obligations for the half year ended 29 June 2013 and full year ended 29 December 2012:

	Half year 2013		Year 2012	
	IRL	UK	IRL	UK
Discount rate	3.90%	4.60%	3.80%	4.45%
Inflation rate	2.00%	2.55% - 3.35%	2.00%	2.15% - 2.95%

Future salary increases	3.00%	4.10%	3.00%	3.70%
Future pension increases**	0.50%	2.50% - 3.05%	0.50%	2.25% - 2.80%

** Future pension increases on the Irish pension schemes have been calculated on a weighted average basis.

Mortality rates

The mortality assumptions imply the following life expectancies in years of an active member on retiring at age 65, 20 years from now:

	Half year 2013		**Year 2012**	
	Irish mortality rates	**UK mortality rates**	**Irish mortality rates**	**UK mortality rates**
Male	24.4	22.2	24.4	22.3
Female	27.1	24.7	27.1	25.0

The mortality assumptions imply the following life expectancies in years of an active member, aged 65, retiring now:

	Half year 2013		**Year 2012**	
	Irish mortality rates	**UK mortality rates**	**Irish mortality rates**	**UK mortality rates**
Male	20.9	20.9	20.9	21.0
Female	23.7	23.2	23.7	23.4

Certain remeasurements arising from our share in joint ventures and associates are not included in the condensed interim financial statements as they are not deemed significant.

19. Related party transactions

The Group is controlled by Glanbia Co-Operative Society Limited (the "Society") which holds 41.3% of the issued share capital of Glanbia plc (the "Company") and is the ultimate parent of the Group.

During the six months to 29 June 2013, sales to related parties amounted to €16.1 million (HY 2012: €44.0 million), purchases from related parties amounted to €68.9 million (HY 2012: €10.4 million) and net balances owed to related parties were €24.7 million (HY 2012: €4.5 million). The related party transactions relate primarily to trading between the Group, Southwest Cheese Company, LLC, Glanbia Ingredients Ireland Limited, Milk Ventures (UK) Limited and the Society.

In the opinion of the Directors, there have been no related party transactions, or changes therein, since the year ended 29 December 2012, that have materially affected the Group's financial position or performance during the six months ended 29 June 2013.

20. Contingent liabilities

Group bank guarantees amounting to €2.1 million (HY 2012: €2.5 million) are outstanding at 29 June 2013, mainly in respect of the payment of EU subsidies. The Group does not expect any material loss to arise from these guarantees.

21. Cash generated from operations

	Half year	Half year*	Year*
	2013	2012	2012
	€'000	€'000	€'000
Profit before taxation - continuing operations	**95,036**	**88,063**	**150,195**
Development costs capitalised	-	-	(4,339)

Write-off of intangibles	**-**	-	3,996
Non-cash exceptional (gain)	**-**	-	(1,610)
Exceptional (credit)	**-**	(4,690)	-
Share of results of Joint Ventures & Associates	**(13,580)**	(6,443)	(12,147)
Depreciation	**13,108**	12,098	25,012
Amortisation	**10,020**	9,546	19,864
Cost of share based payments	**2,292**	1,553	3,209
Difference between pension charge and cash contributions	**(3,596)**	(8,439)	(13,909)
(Profit) on disposal of property, plant and equipment	**(102)**	(30)	(146)
Interest income	**(1,077)**	(1,791)	(2,942)
Interest expense	**11,870**	13,068	23,370
Amortisation of government grants received	**(110)**	(126)	(247)
Cash generated from continuing operations before changes in working capital	**113,861**	**102,809**	**190,306**
Changes in net working capital:			
- Decrease/(increase) in inventory	**862**	(15,323)	(54,341)
- (Increase) in short term receivables	**(124,567)**	(104,656)	(93,078)
- Increase/(decrease) in short term liabilities	**29,496**	(14,051)	87,752
- (Decrease) in provisions	**(1,853)**	(1,157)	(5,920)
Cash generated from/(absorbed by) continuing operations	**17,799**	**(32,378)**	**124,719**
Cash generated from discontinued operations	**-**	**6,530**	**4,098**
Total cash generated from/(absorbed by) all operations	**17,799**	**(25,848)**	**128,817**

*As re-presented to reflect the effect of discontinued operations and the adoption of IAS 19 (revised) - Employee Benefits.

22. Events after the reporting period

There have been no material events subsequent to the end of the interim period 29 June 2013 which require disclosure in this report.

23. Information

Copies of this half yearly financial report are available for download from the Group's website at www.glanbia.com.